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WORK PLAN FOR 1993-1996 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY

Report of the Executive Director

SUMMARY

This report of the Executive Director is submitted to the Governing Council for its approval in accordance with Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session. It contains the work plan for the years 1993-1996 and as such gives information on UNFPA's current and projected resource situation, overall resource utilization and the distribution of programmable resources among country and intercountry activities. In accordance with Council decisions, it also provides information on allocations and utilization of resources in 1991. The document concludes with the request for programme expenditure authority for the year 1993.

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I. INTRODUCTION

1. This report examines the utilization of resources by UNFPA in 1991, applying the method of measuring UNFPA's resource utilization approved by the Governing Council in decision 89/46 B. It also presents information about the size and substantive areas of the proposed country programmes being submitted to the Governing Council in 1992. The report further describes the work plan for 1993-1996 including information about projected resources and the proposed utilization of programmable resources among country and intercountry activities as well as among geographical regions. The report also contains the Executive Director's proposed programme expenditure level for 1993 and the estimates of new programmable resources for the 1994-1996 period in accordance with decision 89/46 B, paragraph 1, of the Governing Council.

II. UTILIZATION OF RESOURCES IN 1991[1]

2. Contributions from Governments to UNFPA in 1991 amounted to $221 million, which -- together with an interest income of $5 million -- resulted in a total income in 1991 of $226 million, an increase of $13.6 million or 6.4 per cent over the previous year. This increase was considerably less than the 12 per cent increase that had been expected, which would have yielded a total income in 1991 of $237.9 million. In view of the fact that UNFPA's income did not increase to the level expected, the Fund reduced its operational costs for 1991, originally estimated at $66.2 million, to $60 million, resulting in new programmable resources of $166 million instead of the earlier estimate of $171.7 million. After adjustment of $0.4 million, an overexpenditure in 1990, the programmable resources in 1991 amounted to $165.6 million (see table A).

Table A. Calculation of programmable resources for 1991

(MILLIONS OF US DOLLARS)

	ESTIMATE FOR 1991 AS OF JAN. 1991	ACTUAL FOR 1991 AS OF JAN. 1992
INCOME	237.9	226.0
OPERATIONAL COSTS [A]	66.2	60.0[1]
NEW PROGRAMMABLE RESOURCES	171.7	166.0[1]
CARRY-FORWARDS (NEGATIVE IF IN PARENTHESIS)	(0.4)	(0.4)
TOTAL PROGRAMMABLE RESOURCES	171.3[B]	165.6[1]

(A) OPERATIONAL COSTS ARE THE SUM OF THE ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICES (APSS) NET BUDGET AND AGENCY SUPPORT COSTS.
(B) AS ESTIMATED IN DOCUMENT DP/1991/30, PARAGRAPH 31.

3. Total allocations to UNFPA programmes and projects in 1991 were $212 million, of which $150.1 million (70.8 per cent) was allocated to country activities and $61.9 million (29.2 per cent) to intercountry

[1] All 1991 figures used throughout this document are based on the best estimates available at the time of writing of this document, January 1992.

activities. Total programme expenditures in 1991 are estimated at $165.6 million, the same amount as the latest estimate of programmable resources for 1991. Table B shows that the estimated programme expenditures of $165.6 million in 1991 are $3.3 million less than such expenditures in 1990. This is due to the fact that:

(a) UNFPA's programmable resources in 1991 were $2.9 million lower than those in 1990 which included carry-forwards from 1989 into 1990 of $8.5 million; and

(b) UNFPA had a negative carry-forward of $0.4 million from 1990 to 1991 because of an overexpenditure of $0.4 million in 1990.

Table B. Performance indices for 1990 and 1991

(MILLIONS OF US DOLLARS)

	1990	1991 (ESTIMATED)
(1) TOTAL PROGRAMMABLE RESOURCES[A]	168.5[B]	165.6[C]
(2) YEAR-END ALLOCATIONS	210.9[B]	212.0
(3) EXPENDITURES	168.9[D]	165.6[E]
(4) PROJECT EXPENDITURE RATE: (3)/(2)	80.1%	78.1%
(5) RESOURCE UTILIZATION RATE: [F] (3)/(1)	100.2%	100.0%

(A) INCLUDES CARRY-FORWARDS FROM THE PREVIOUS YEAR: A SURPLUS OF $8.5 MILLION FROM 1989 TO 1990 AND A DEFICIT OF $0.4 MILLION FROM 1990 TO 1991.

(B) SEE DOCUMENT DP/1991/30, TABLE A AND PARAGRAPH 3.

(C) SEE TABLE A.

(D) SEE DOCUMENT DP/1991/38, TABLE 2.

(E) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 74 PER CENT OF YEAR-END ALLOCATIONS FOR COUNTRY ACTIVITIES AND OF 88 PER CENT FOR INTERCOUNTRY ACTIVITIES.

(F) THE RESOURCE UTILIZATION RATE IS THE RATIO OF PROGRAMME EXPENDITURES TO TOTAL PROGRAMMABLE RESOURCES. IN PAST YEARS THIS RATE HAS BEEN CALCULATED AS THE RATIO OF PROGRAMME EXPENDITURES TO THE ESTIMATE OF PROGRAMMABLE RESOURCES, AS ENDORSED BY THE GOVERNING COUNCIL. SEE DOCUMENT DP/1989/34, PARAGRAPH 2.

Table C. Expenditures for country and intercountry activities, 1988-1991

(MILLIONS OF US DOLLARS)

	1988		1989		1990		1991(A)	
ACTIVITIES	($)	(%)	($)	(%)	($)	(%)	($)	(%)
COUNTRY	89.9	69.3%	109.4	69.5%	116.5	69.0%	111.1	67.1%
INTERCOUNTRY (B)	39.8	30.7%	48.1	30.5%	52.4	31.0%	54.5	32.9%
▸ REGIONAL	19.9	15.4%	25.7	16.3%	27.1	16.1%	28.0	16.9%
▸ INTERREGIONAL	19.9	15.3%	22.4	14.2%	25.2	14.9%	26.5	16.0%
TOTAL	129.7	100.0%	157.5	100.0%	168.9	100.0%	165.6	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 74 PER CENT OF YEAR-END ALLOCATIONS FOR COUNTRY ACTIVITIES AND OF 88 PER CENT FOR INTERCOUNTRY ACTIVITIES.

(B) INTERCOUNTRY ACTIVITIES ARE COMPOSED OF REGIONAL AND INTERREGIONAL ACTIVITIES. PERCENTAGES GIVEN FOR REGIONAL AND INTERREGIONAL ACTIVITIES ARE BASED ON THE TOTAL EXPENDITURES FOR COUNTRY AND INTERCOUNTRY ACTIVITIES FOR A GIVEN YEAR.

4. Whereas the expenditures for country activities, as shown in table C, decreased from $116.5 million in 1990 to $111.1 million in 1991, expenditures for intercountry activities increased from $52.4 million to $54.5 million. Thus, the proportion of expenditures for country activities out of all project expenditures was somewhat reduced, if compared with previous years. This is the result of the fact that, because of a lower income than expected, overall project expenditures were lower than in the previous year and that reductions of intercountry activities are not possible on short notice, i.e., in the second half of the year.

5. Approximately $37 million, or 67.8 per cent of total expenditures for intercountry activities in 1991, are attributable to specific developing countries in accordance with the methodology approved by the Governing Council in decision 87/30 I, paragraph 17.

6. Table D presents expenditures for country and intercountry activities for the 1988-1991 period by substantive area. In 1991, the major share (61.6 per cent) of total resources once again went to family planning and the closely associated information, education and communication (IEC) activities. While the share of family planning decreased slightly from the previous year, the share of resources for programmes that provide critical support for family planning, namely IEC activities, reached its highest level, following a similar trend of previous years. Additionally, the share of programme resources directed at enhancing the status of women (included in special programmes) again reached its highest level ever (rising from $1.9 million in 1988 to $7.4 million in 1991).

Table D. Expenditures by substantive area for country and intercountry activities, 1988-1991

(MILLIONS OF US DOLLARS)

SUBSTANTIVE AREA	1988		1989		1990		1991(A)	
	($)	(%)	($)	(%)	($)	(%)	($)	(%)
FAMILY PLANNING	67.7	52.2%	70.5	44.7%	77.5	45.9%	71.9	43.4%
INFORMATION, EDUCATION & COMMUNICATION	19.1	14.7%	26.6	16.9%	28.6	16.9%	30.2	18.2%
BASIC DATA COLLECTION	13.0	10.0%	18.2	11.6%	17.1	10.1%	14.5	8.8%
POPULATION DYNAMICS	14.3	11.0%	20.4	12.9%	19.0	11.2%	18.8	11.4%
FORMULATION & EVALUATION OF POPULATION POLICIES	9.9	7.6%	12.2	7.7%	14.8	8.8%	15.2	9.2%
IMPLEMENTATION OF POLICIES	0.3	0.2%	0.1	0.0%	0.1	0.0%	0.1	0.1%
MULTISECTOR ACTIVITIES	2.2	1.7%	4.0	2.5%	4.2	2.5%	5.6	3.4%
SPECIAL PROGRAMMES	3.2	2.5%	5.7	3.6%	7.6	4.5%	9.3	5.6%
TOTAL	129.7	100.0%	157.5	100.0%	168.9	100.0%	165.6	100.0%
FAMILY PLANNING AND INFORMATION, EDUCATION & COMMUNICATION COMBINED	86.8	66.9%	97.1	61.6%	106.1	62.8%	102.0	61.6%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 74 PER CENT OF YEAR-END ALLOCATIONS FOR COUNTRY ACTIVITIES AND OF 88 PER CENT FOR INTERCOUNTRY ACTIVITIES.

7. Table E shows expenditures for country activities for the 1988-1991 period by priority country status. The table shows a decrease in the proportion of expenditures in priority countries for the second consecutive year, even though in the four-year period 1988-1991, the total expenditure of $316.7 million for priority countries still constitutes 74.2 per cent of the total expenditures for country activities. Thus, UNFPA has not yet reached the goal set by Council decision 88/34 I, of 80 per cent of resources for country activities to priority countries. However, considerable efforts are now being made to meet this goal no later than 1994, as reiterated by the Council in decision 91/35 B.

Table E. Expenditures for country activities by priority country status, 1988-1991

(MILLIONS OF US DOLLARS)

	1988		1989		1990		1991(A)		TOTAL	
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
PRIORITY (B)	66.1	73.5%	83.7	76.5%	87.4	75.0%	79.5	71.6%	316.7	74.2%
NON-PRIORITY	23.8	26.5%	25.7	23.5%	29.1	25.0%	31.6	28.4%	110.2	25.8%
TOTAL	89.9	100.0%	109.4	100.0%	116.5	100.0%	111.1	100.0%	426.9	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 74 PER CENT OF YEAR-END ALLOCATIONS.
(B) BASED ON DECISION 88/34 I, PARAGRAPH 6.

III. NEW SUBMISSIONS OF COUNTRY PROGRAMMES TO THE COUNCIL AT ITS THIRTY-NINTH SESSION

8. The Executive Director is submitting to the thirty-ninth session of the Governing Council for its approval 31 comprehensive country programmes, all but 7 of which are for a period of five years. The 31 programmes (16 in sub-Saharan Africa, 4 in Arab States and Europe, 8 in Asia and the Pacific, and 3 in Latin America and the Caribbean) total $318.7 million (of which $224.1 million would come from UNFPA's regular resources).

9. The distribution of resources for these programmes by substantive programme area, as shown in table F, is in line with the guidelines set by the Governing Council in decision 81/7. For example, family planning activities will receive the largest share of resources, accounting for 45.5 per cent of total programme resources[1] while information, education and communication projects will receive 21.6 per cent. Combined, these two programme areas will receive fully two thirds of all resources of the 31 country programmes. Resources for basic data collection and those for population research and policy development activities amount to 11.5 per cent and 7.7 per cent, respectively. Furthermore, in line with UNFPA guidelines as set forth in "An implementation strategy to strengthen the capacity of the Fund to deal with issues concerning women, population and development" (document DP/1987/38), all new country projects take into consideration women as both participants and beneficiaries of population and development activities. In addition, 8.6 per cent of total country programme resources will be allocated to special programmes that include projects specifically and directly related to improving the status of women.

[1] All percentages refer to the total of the proposed country programmes, composed of UNFPA's regular resources and multi-bilateral resources.

Table F. New submissions of country programmes by substantive area

(MILLIONS OF US DOLLARS)

	ALL RESOURCES		REGULAR RESOURCES	
	($)	(%)	($)	(%)
FAMILY PLANNING	144.9	45.5%	100.5	44.8%
INFORMATION, EDUCATION AND COMMUNICATION	68.9	21.6%	50.3	22.4%
BASIC DATA COLLECTION	36.7	11.5%	24.2	10.8%
POPULATION RESEARCH AND POLICY DEVELOPMENT (A)	24.7	7.7%	17.4	7.8%
SPECIAL PROGRAMMES (B)	27.4	8.6%	18.5	8.3%
PROGRAMME RESERVE (C)	16.1	5.0%	13.2	5.9%
TOTAL	318.7	100.0%	224.1	100.0%
FAMILY PLANNING AND INFORMATION, EDUCATION & COMMUNICATION COMBINED	213.8	67.1%	150.8	67.3%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) INCLUDES POPULATION DYNAMICS, FORMULATION AND EVALUATION OF POPULATION POLICIES, AND IMPLEMENTATION OF POLICIES.
(B) INCLUDES WOMEN, POPULATION AND DEVELOPMENT.
(C) INCLUDES MULTISECTOR ACTIVITIES.

IV. WORK PLAN FOR 1993-1996 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY

A. The work plan, 1993-1996

10. The work plan of UNFPA is a projected programme of assistance based upon income projections, prior commitments and foreseeable needs over the next four years. Its present format is based on Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session.

11. The work plan refers only to those activities that are funded from UNFPA's regular resources (over the period 1988-1991 this constituted 93.2 per cent of UNFPA's project expenditures)[1] and not to those funded from multi-bilateral resources. The rationale for excluding activities funded through multi-bilateral arrangements lies in the fact that in such cases ultimate funding decisions are made not by UNFPA, but by the individual donor countries or organizations.

[1] Expenditures for projects funded from multi-bilateral resources have increased in recent years: $6.2 million in 1988, $6.1 million in 1989, $11.4 million in 1990 and an estimated $21.1 million in 1991.

12. The work plan contains information on the following subjects:

(a) Estimates of new programmable resources for 1993-1996 by year (paragraphs 14-15);
(b) General considerations in resource distribution (paragraphs 16-17);
(c) Distribution of the total programmable resources, 1993-1996, among country and intercountry activities (paragraphs 18-20);
(d) Average annual distribution of country activities by region for the years 1993-1996 (paragraphs 21-22);
(e) Amounts for country activities already programmed for 1992-1996 (paragraphs 25-26);
(f) Average annual distribution of intercountry activities by region for the years 1993-1996 (paragraph 27).

13. The work plan of UNFPA is a rolling four-year plan. This means that for each new work plan the current year is deleted and one future year is added. Since most programmes and projects last for several years, and since allocations for these programmes and projects are periodically adjusted in accordance with rates of implementation and other factors, the calculation of proportional shares to each major sector, geographical region, country, etc., solely on the basis of the allocations or expenditures at year end of any given year does not necessarily present the overall picture of the emphasis given to the different components of UNFPA's programme. More important are the new programme proposals being made by UNFPA, even though these new programmes are implemented over a period of several years. The new country programmes being submitted to the Council each year (see section III above) are examples of such new proposals and thus form part of the work plan.

14. The work plan is based on the income assumptions for the period 1993-1996 which, after deducting the administrative and programme support services (APSS) net budget and additions to the operational reserve and to the newly created revolving fund for office construction,[1] determine the estimates of new programmable resources. For the work plan for 1993-1996, the Executive Director estimates the income of 1992 at $230 million as the base and projects a constant annual rate of increase of 8 per cent for 1993-1996. The income projection for the work plan is based on the recent trend in the growth of the resource base of UNFPA, which increased on average by 9.7 per cent each year between 1988 and 1991 (14 per cent from 1987 to 1988, 4 per cent from 1988 to 1989, 14.7 per cent from 1989 to 1990 and 6.4 per cent from 1990 to 1991). The projection also takes into consideration preliminary indications from major donor countries about their pledges for 1993. In view of the growing consensus among all countries of the need to mobilize and increase resources for population activities in developing countries, as expressed in the Amsterdam Declaration and emphasized by General Assembly resolution 45/216 and by Council decision 90/35 A, UNFPA anticipates that in future years, as in the past, its traditional donors will continue to increase their contributions to UNFPA. While reaching the goals of the Amsterdam Declaration requires increases of UNFPA's income of 18 per cent per annum, resulting in an income of $1,000 million in the year 2000, increases of such a magnitude are currently not forthcoming. In addition, it is important to note that the increases of 14 per cent and 14.7 per cent in the years 1987 to 1988 and 1989 to 1990, respectively, were due in part to gains realized from favourable exchange rates of the U.S. dollar vis-à-vis the currencies in which the majority of pledges were made. The lower-than-expected increase in UNFPA's income in 1991 is in part the result of less-favourable exchange rates in the past year. Given the uncertainty of the current funding situation, the Executive Director feels the need to adopt a somewhat more conservative

[1] Information on this inter-agency arrangement for renovation and construction of field offices was presented in UNFPA's budget estimates for the 1992-1993 biennium (see documents DP/1991/36 and Add.1).

approach to resource planning. Hence, the income assumption for 1992, which is the base figure for the work plan 1993-1996, has been set at $230 million instead of the $262 million estimated in last year's work plan, and the increases for each of the four years of the work plan have now been set at 8 per cent instead of 10 per cent as in last year's work plan. This results in an income assumption for the four-year period 1993-1996 of $1,117 million, as compared with $1,216 million for the period 1992-1995 in last year's work plan. The new programmable resources, as presented in table G, are calculated on the basis of the current income assumptions. It should be noted here that while the income for 1993-1996 is projected to increase on average by 8 per cent a year, the APSS net budget is projected to increase by only 6 per cent a year for the same period.

Table G. New programmable resources for 1993 - 1996

(MILLIONS OF US DOLLARS)

	1993	1994	1995	1996	1993-1996
INCOME	248.0	268.0	289.0	312.0	1,117.0
(1) APSS NET BUDGET	(53.4)	(56.6)	(60.0)	(63.6)	(233.6)
(2) ADDITION TO THE OPERATIONAL RESERVE	(4.0)	(4.0)	(4.0)	(4.0)	(16.0)
(3) ADDITION TO THE REVOLVING FUND FOR CONSTRUCTION	(2.5)				(2.5)
SUBTOTAL (1) + (2) + (3)	(59.9)	(60.6)	(64.0)	(67.6)	(252.1)
AVAILABLE AS NEW PROGRAMMABLE RESOURCES	188.1	207.4	225.0	244.4	864.9

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

15. The Council, at its thirty-eighth session, in decision 91/36, paragraph 19, decided that the level of the operational reserve should be set at 20 per cent of general resources income for each year of the UNFPA work plan. The level of the operational reserve at the end of 1991 was $45 million, the amount set by the Council "with effect from 1989" (decision 89/49, paragraph 16). Given an estimated income in 1992 of $230 million, the level of the reserve at the end of 1992 -- in accordance with decision 91/36 -- will have to amount to $46 million, or $1 million more than in 1991. In order to maintain the reserve at the 20 per cent level, and assuming that the income will increase as estimated, UNFPA will have to add a total of $16 million ($4 million each year) to the operational reserve over the work plan period 1993-1996 as shown in table G. At the end of 1996, the level will have reached $62 million.

16. Table G shows the estimated new programmable resources for the period of 1993-1996 to be $864.9 million. These resources will be used in accordance with the following instructions by the Council:

(a) Support to programmes and projects in priority countries at a level of four fifths of allocations to country activities;[1]
(b) Continued emphasis on projects in the complementary areas of family planning and information, education and communication;
(c) Support to country programmes and projects approved by the Council as scheduled in the individual country submissions;
(d) Levels of allocations to individual countries on the basis of the eight specific criteria mentioned in Council decision 81/7 I, paragraph 8.

Also reflected in the work plan is UNFPA's continuing effort to increase considerably the support it provides through country and intercountry activities to programmes and projects which improve the role and status of women.

17. By their very nature, all figures in the work plan are tentative, notably for the following reasons:

(a) As in the case of last year's work plan, the income estimates of the current work plan for the years 1993-1996 do not include a contribution from the United States Government. If and when the United States Government decides once again to contribute to UNFPA, the income estimates can be revised upwards. In addition, the income estimates have to be adjusted during the course of the plan period as the value of the U.S. dollar fluctuates;

(b) The Council has given UNFPA broad guidelines and priorities to be mindful of in allocating resources by geographical criteria as well as for each of the different work plan categories, such as family planning; information, education and communication; etc. An additional guideline concerning UNFPA successor support cost arrangements, set by the Council in 1991 in decision 91/37 paragraph 10, states that the total allocation for technical support services and for administrative and operational services for the years 1992-1995 should not exceed 13.8 per cent of programmable resources;

(c) While UNFPA intends to allocate the major portion of its resources for country activities through country programmes approved by the Council, the formulation as well as implementation of projects in these programmes is sometimes delayed considerably. In such cases, a portion of the resources reserved for a specific country programme for a particular period may be made available for activities in other countries.

18. Table H shows the planned distribution of total programmable resources during the work plan period 1993-1996. It does not project any carry-forwards of resources from 1992 to 1993. The total programmable resources available were estimated at $864.9 million (an annual average of $216.2 million). This amount is approximately 10 per cent lower than the amount estimated one year ago in the work plan 1992-1995. Table H shows a comparison of the intended distribution of the estimated programmable resources among country and intercountry activities in the work plan for 1992-1995, as endorsed by the Council last year, with the estimates for such distribution as revised in the work plan for 1993-1996. When the work plan for 1992-1995 was being drafted in early 1991, a higher income assumption appeared justified. However, already at the thirty-eighth

[1] It should be recalled that the Council reiterated the need for future allocations of resources to meet the target of an 80 per cent allocation of country programme resources to priority countries by 1994, in decision 91/35 B, paragraph 2.

session of the Council in June 1991, the Executive Director observed in her plenary statement that the required resources might not be forthcoming in full. Hence, when it became apparent in the second half of 1991 that UNFPA's income in 1991 would increase not by 12 per cent, as expected, but by approximately 6 per cent (eventually by 6.4 per cent), the Executive Director reduced programme planning figures and allocations to a level commensurate with revised income projections. These reduced amounts apply for 1992 and are reflected in the work plan for 1993-1996.

Table H. Intended distribution of programmable resources among country and intercountry activities, in the work plan for 1992-1995 as endorsed in June 1991 and now revised in the work plan for 1993-1996

(MILLIONS OF US DOLLARS)

	WORK PLAN 1992-1995 [A]			CURRENT WORK PLAN 1993-1996		
	TOTAL ($)	ANNUAL ($)	AVERAGE (%)[B]	TOTAL ($)	ANNUAL ($)	AVERAGE (%)
(1) COUNTRY ACTIVITIES	647.9	162.0	67.8%	588.1	147.0	68.0%
(2) TECHNICAL SUPPORT SERVICES (TSS)	89.4[C]	22.4	9.3%	89.0	22.3	10.3%
(3) ADMINISTRATIVE AND OPERATIONAL SERVICES (AOS)	40.9[C]	10.2	4.3%	30.0	7.5	3.5%
(4) REGIONAL ACTIVITIES	66.4	16.6	6.9%	59.6	14.9	6.9%
(5) INTERREGIONAL ACTIVITIES	111.6	27.9	11.7%	98.2	24.6	11.3%
(6) INTERCOUNTRY ACTIVITIES (4) + (5)	178.0	44.5	18.6%	157.8	39.5	18.2%
(7) UNPROGRAMMED RESOURCES	9.2[D]	2.3				
(8) TOTAL (1) + (2) + (3) + (6) + (7)	965.4[E]	241.4	100.0%	864.9	216.2	100.0%

NOTE: FIGURES MAY NOT ADD UP TO TOTALS GIVEN DUE TO ROUNDING.

(A) SEE DOCUMENT DP/1991/30/CORR.1, TABLE G.

(B) MODIFIED PERCENTAGES, BASED ON THE TOTAL OF $956.2 MILLION WHICH EXCLUDES UNPROGRAMMED RESOURCES.

(C) DECISION 91/37, PARAGRAPH 10, AUTHORIZES THE EXECUTIVE DIRECTOR TO COMMIT AN AMOUNT OF $130.3 MILLION TO TSS AND AOS, NOT EXCEEDING 13.8 PER CENT OF PROGRAMMABLE RESOURCES.

(D) TOTAL PROGRAMMABLE RESOURCES APPROVED BY THE GOVERNING COUNCIL ($965.4 MILLION) LESS TOTAL APPROVED DISTRIBUTION ($956.2 MILLION).

(E) SEE DOCUMENT DP/1991/30, TABLE F, WHICH HAS BEEN ADJUSTED BY $0.9 MILLION REFLECTING DECISION 91/36, PARAGRAPH 14.

19. The planned distribution of total programmable resources for 1993-1996 among country and intercountry activities (regional and interregional activities) takes into consideration the needs in each of these areas. According to this plan, the proportion of total programmable resources intended for country activities remains essentially the same as in the previous work plan -- 68 per cent compared to 67.8 per cent. In absolute terms, the $588.1 million intended for country activities in the four-year period 1993-1996 (an average of $147 million per year) is 9.2 per cent lower than the $647.9 million (an average of $162 million per year) foreseen previously

for the 1992-1995 period. In addition, the entire $89 million proposed for technical support services (TSS) is earmarked to provide technical support for country programmes from teams located at regional and subregional sites as well as technical backstopping to these teams from headquarters (see document DP/1992/30 for a progress report on UNFPA successor support cost arrangements). The administrative and operational services[1] (AOS) costs for 1993-1996 are estimated at $30 million, which is based on a compensation arrangement with executing agencies of 7.5 per cent[2] of project expenditures incurred for the implementation of country projects.

20. The UNFPA intercountry programme for the period of 1992-1995 covering regional and interregional activities, was approved by the Council in 1991[3] in the amount of $178 million or 18.6 per cent of programmable resources. Approximately the same proportion (18.2 per cent) is foreseen for the distribution of the $157.8 million of programmable resources to these activities during the 1993-1996 work plan period. The proportion of resources for regional activities remains the same in both work plan periods (6.9 per cent), although in absolute terms the amount for 1993-1996 is $59.6 million compared to $66.4 million in the previous work plan. The resources for interregional activities will amount to $98.2 million (11.3 per cent of programmable resources) instead of $111.6 million (11.7 per cent).

21. Table I presents a resource utilization pattern for country activities by region from 1988 to 1996. It contains:

(a) Expenditures for country activities by region from 1988 to 1991;
(b) The average intended distribution for the 1993-1996 period now being proposed, which reflects the revision of the work plan 1992-1995.

22. In the work plan for 1993-1996, the proposed proportional distribution of the $588.1 million in programmable resources intended for country activities among the four regions will be: sub-Saharan Africa, 32 per cent; Arab States and Europe, 12 2 per cent; Asia and the Pacific, 43.5 per cent; and Latin America and the Caribbean 12.3 per cent. In absolute terms, each of the four regions will receive more resources, on average, per year in the new work plan period than in any year in the past.

23. One significant long-term trend of the Fund's country activities is a steady and substantial increase in support to the countries of sub-Saharan Africa. UNFPA's support to country activities in sub-Saharan Africa increased from $23.4 million in 1988 to $41 million in 1991, averaging $33.3 million. These expenditures are expected to grow to an annual average of $47 million in the work plan period 1993-1996, which constitutes a considerable increase in absolute terms and a small increase, from 31.2 per cent to 32 per cent, in proportionate terms. The annual expenditures for country activities in the Arab States and Europe varied in the period 1988-1991 between $12 million and $14.1 million, averaging $13 million. These expenditures are expected to grow to an annual average of $17.9 million in 1993-1996. The annual expenditures for country activities in Asia and the Pacific in the period 1988-1991 varied between $41.4 million and $51.5 million, averaging $46.9 million. These expenditures are expected to grow to an annual average of $64 million in the period 1993-1996, which

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[1] Called indirect administrative services in document DP/1991/30 and Corr. 1.

[2] Decision 91/37, paragraph 10.

[3] Decision 91/35 C.

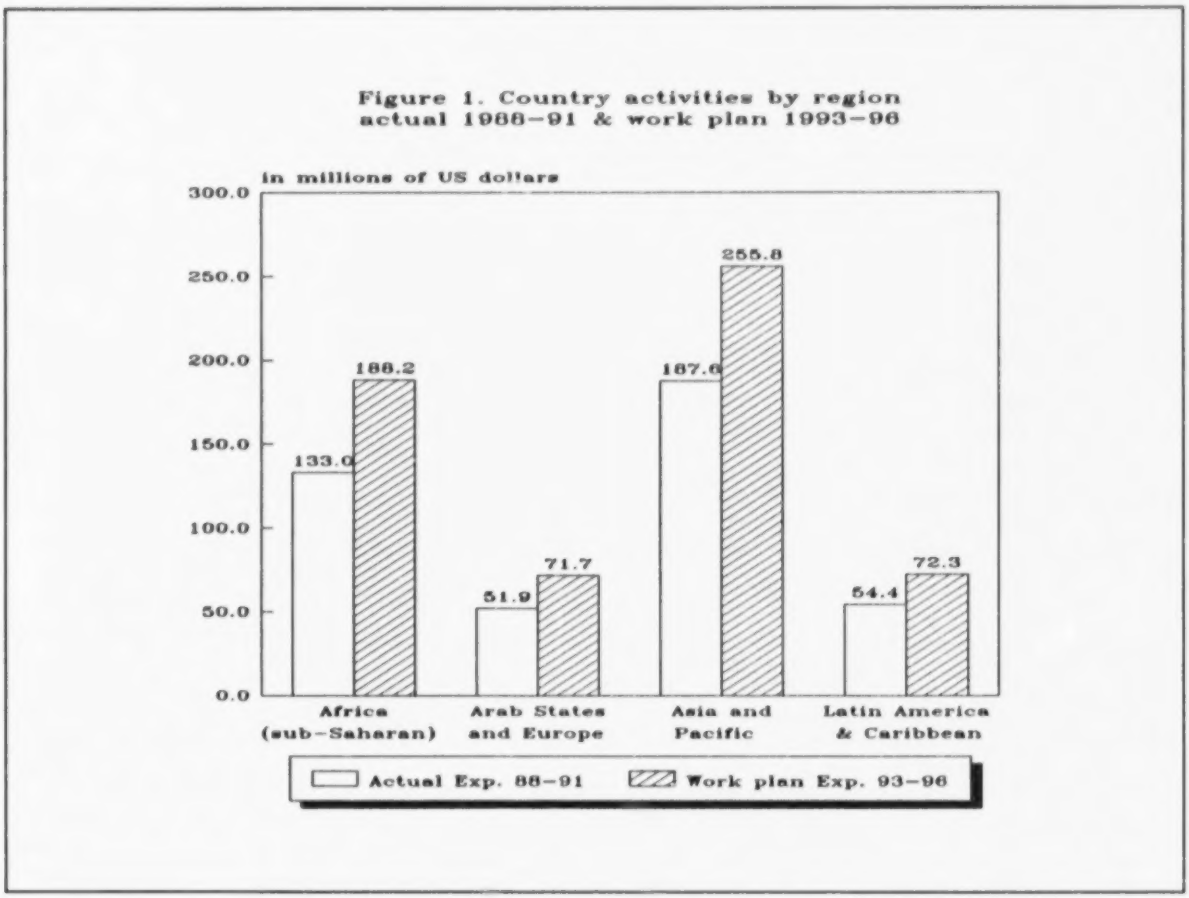
Table I. Intended country activities by region for the period 1993-1996 compared with expenditures, 1988-1991

(MILLIONS OF US DOLLARS)

	ACTUAL 1988 EXPENDITURE		ACTUAL 1989 EXPENDITURE		ACTUAL 1990 EXPENDITURE		ESTIMATED 1991 (A) EXPENDITURE		ACTUAL 1988-1991		INTENDED 1993-1996	
									ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE	ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
AFRICA (SUB-SAHARAN)	23.4	26.0%	29.3	26.8%	39.4	33.8%	41.0	36.9%	33.3	31.2%	47.0	32.0%
ARAB STATES AND EUROPE	12.0	13.4%	13.6	12.4%	14.1	12.1%	12.2	11.0%	13.0	12.2%	17.9	12.2%
ASIA AND THE PACIFIC	41.4	46.1%	51.5	47.0%	48.9	42.0%	45.7	41.1%	46.9	43.9%	64.0	43.5%
LATIN AMERICA/CARIBBEAN	13.0	14.5%	15.1	13.8%	14.1	12.1%	12.2	11.0%	13.6	12.8%	18.1	12.3%
TOTAL	89.9	100.0%	109.4	100.0%	116.5	100.0%	111.1	100.0%	106.7	100.0%	147.0	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 74 PER CENT OF YEAR-END ALLOCATIONS FOR COUNTRY ACTIVITIES.

constitutes a considerable increase in absolute terms, even though it means a small decrease, from 43.9 per cent in 1988-1991 to 43.5 per cent in 1993-1996, in proportionate terms. The corresponding expenditures for Latin America and the Caribbean varied between $12.2 million and $15.1 million, averaging $13.6 million in the period 1988-1991. The projected annual resources for this region in the period 1993-1996 are, on average, $18.1 million.



24. The emphasis given to individual regions in the proposed work plan becomes further evident through an examination of the intended increases in dollars and in per cent. For example, country activities in sub-Saharan Africa will rise from $133 million (1988-1991) to $188.2 million (1993-1996), i.e., by $55.2 million or 41.5 per cent. Country activities in Asia and the Pacific will rise from $187.6 million (1988-1991) to $255.8 million (1993-1996), i.e., by $68.2 million or 36.4 per cent. The other two regions, Arab States and Europe, and Latin America and the Caribbean, will have increases of $19.8 million and $17.9 million or 38.3 and 32.9 per cent, respectively. Figure 1 provides a graphic presentation of this programming trend by comparing country activities by region for 1988-1991 and 1993-1996.

25. Based on an analysis of the status of financial implementation of UNFPA programmes and projects, the balance of commitments (regular funds) to country programmes approved by the Governing Council up to and including 1991 is estimated to be $325.7 million for 1992-1996. When the country programmes (regular resources) submitted to this session of the Council are added ($224.1 million), the total UNFPA commitment from regular resources amounts to $549.8 million. Of this latter amount $3.1 million refers to 1997[1]. Hence, the amount of programmed resources for country activities for 1992-1996 is $546.7 million. Of the $698.1 million intended for country activities between 1992 and 1996,[2] therefore, $546.7 million, or 78.3 per cent, has already been programmed through country programmes and projects that have either been approved by the Council at earlier sessions or are being submitted to the Council at the thirty-ninth session (see table J). It should be noted that the percentage is based on the five-year period including 1992 rather than the work plan period 1993-1996. By comparison, the rate reported in last year's work plan was 51.2 per cent (document DP/1991/30, table I).

26. In the Latin American and Caribbean region, 97 per cent of the expected resources for country activities in 1992-1996 have already been programmed. This is due to the fairly large amount of resources committed to country programmes that have recently been approved by the Council or are being submitted to the Council for approval in 1992. It also reflects the Fund's accelerated programming in the Latin American and Caribbean region in recent years. Similarly, in the Arab States and European region and the Asia and Pacific region, 82.7 per cent and 80 per cent of the expected resources for country activities in 1992-1996 have already been programmed, respectively. The corresponding figure for Africa is 67.3 per cent.

Table J. Intended country activities for 1992-1996 and amounts already programmed with percentage shares

(MILLIONS OF US DOLLARS)

	TOTAL COUNTRY ACTIVITIES	AMOUNT ALREADY PROGRAMMED AND PERCENTAGE OF THAT AMOUNT BY REGION		AMOUNT ALREADY PROGRAMMED AS PERCENTAGE OF REGION TOTAL
	1992-1996	1992-1996		
	($)	($)	(%)	(%)
AFRICA (SUB-SAHARAN)	224.3	150.9	27.6%	67.3%
ARAB STATES AND EUROPE	85.1	70.4	12.9%	82.7%
ASIA AND THE PACIFIC	302.8	242.1	44.3%	80.0%
LATIN AMERICA AND THE CARIBBEAN	85.9	83.3	15.2%	97.0%
TOTAL	698.1	546.7	100.0%	78.3%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

[1] Three of the country programmes are scheduled to be completed in 1997.

[2] $588.1 million, see table H, plus $110 million for country activities in 1992.

27. With regard to intercountry activities, the Executive Director proposes to distribute $59.6 million for regional activities during the work plan period (table H) and to use $98.2 million for interregional activities. In terms of proportion of total programmable resources, intercountry resources for the period of 1993-1996, as shown in table H, will be used as follows: 6.9 per cent for regional activities and 11.3 per cent for interregional activities. Overall, this amounts to 18.2 per cent of all UNFPA programmable resources. This constitutes a considerable reduction in the proportion of programmable resources intended for intercountry activities, which in previous years amounted to between 25 per cent and 30 per cent of all project expenditures. As the absolute figures in table L show, compared to those in table K, the reduction in intercountry activities is almost exclusively limited to reductions in regional activities. This, in turn, is due to the fact that in previous years those activities now falling under the TSS component of the Fund's successor support cost arrangements were largely financed from regional resources (and to some extent from the 13 per cent overhead charged by agency support costs). With the Council's approval of the TSS concept in June 1991 (decision 91/37) and based upon the fact that TSS is now separately identified and funded ($89 million in 1993-1996), regional activities are being reduced accordingly. As table H shows, however, TSS (accounting for 10.3 per cent of programmable resources) and intercountry activities (accounting for 18.2 per cent of programmable resources) will amount, when combined, to 28.5 per cent of programmable resources.

Table K. Actual intercountry activities by region for the period 1988-1991

(MILLIONS OF US DOLLARS)

	ACTUAL 1988 EXPENDITURE		ACTUAL 1989 EXPENDITURE		ACTUAL 1990 EXPENDITURE		ESTIMATED 1991 EXPENDITURE (A)		EXPENDITURE 1988-1991	
									ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
(1) AFRICA (SUB-SAHARAN)	7.8	19.6%	9.8	20.3%	10.2	19.5%	10.8	19.9%	9.7	19.8%
(2) ARAB STATES AND EUROPE	2.7	6.9%	3.9	8.1%	3.7	7.0%	3.8	6.9%	3.5	7.2%
(3) ASIA AND THE PACIFIC	5.2	13.1%	6.7	13.8%	8.2	15.7%	8.1	14.8%	7.0	14.5%
(4) LATIN AMERICA/CARIBBEAN	4.2	10.4%	5.3	11.1%	5.0	9.6%	5.3	9.8%	5.0	10.2%
(5) REGIONAL SUB-TOTAL (1)+(2)+(3)+(4)	19.9	50.0%	25.7	53.4%	27.1	51.8%	28.0	51.4%	25.2	51.7%
(6) INTERREGIONAL ACTIVITIES	19.9	50.0%	22.4	46.6%	25.2	48.2%	26.5	48.6%	23.5	48.3%
(7) INTERCOUNTRY TOTAL (5)+(6)	39.8	100.0%	48.1	100.0%	52.4	100.0%	54.5	100.0%	48.7	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.
(A) ESTIMATED BY ASSUMING A PROJECT EXPENDITURE RATE OF 88 PER CENT OF YEAR-END ALLOCATIONS FOR INTERCOUNTRY ACTIVITIES.

Table L. Intended intercountry activities by region for the period 1993-1996

(MILLIONS OF US DOLLARS)

	INTENDED 1993-1996	
	ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE
	($)	(%)
(1) AFRICA (SUB-SAHARAN)	5.8	14.8%
(2) ARAB STATES AND EUROPE	2.4	6.1%
(3) ASIA AND THE PACIFIC	3.6	9.1%
(4) LATIN AMERICA/CARIBBEAN	3.1	7.9%
(5) REGIONAL SUB-TOTAL (1) + (2) + (3) + (4)	14.9	37.8%
(6) INTERREGIONAL ACTIVITIES	24.6	62.2%
(7) INTERCOUNTRY TOTAL (5) + (6)	39.5	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

B. Request for programme expenditure authority

28. At its thirty-sixth session the Governing Council endorsed the proposal by the Executive Director that a programme expenditure authority be set at the level of programme expenditure she is authorized to make in the first year of the four-year work plan period, which will be reviewed, revised and updated yearly, on a rolling basis. The programme expenditure level is equivalent to the total programmable resources, which are the sum of the new programmable resources and carry-forwards (a surplus or a deficit) from the previous year. The requested programme expenditure authority refers only to new programmable resources since the expenditure authority for the carry-forwards has already been given in previous years. As shown in table G, the total programmable resources for 1993 are projected to be $188.1 million (no carry-forwards projected).

29. The Executive Director further proposed and the Governing Council endorsed (see paragraph 1 of decision 89/46 B) at its thirty-sixth session that forward approval be set at the levels of the estimates for new programmable resources for the subsequent three years of the work plan period. Hence, table M presents not only the programme expenditure level for 1993 (equivalent to the new programmable resources of 1993), but also the new programmable resources of 1994-1996. The estimate for 1994, which will be adjusted if necessary, will become the basis for the programme expenditure authority for that year when the new work plan covering the period 1994-1997 is submitted to the Council in 1993.

Table M. Proposed programme expenditure level for 1993 and estimates for new programmable resources for 1994-1996

(MILLIONS OF US DOLLARS)

	1993	1994	1995	1996	TOTAL 1993-1996
TOTAL NEW PROGRAMMABLE RESOURCES (A)	188.1	207.4	225.0	244.4	864.9

(A) SEE TABLE G OF THIS REPORT.

30. As reported to the Governing Council at its last session, UNFPA continues to set a programme ceiling within the Fund in order to monitor the level of allocations and achieve maximum resource utilization by the end of each year while maintaining financial control. The programme ceiling is a useful and practical internal management tool to ensure prudent financial practice and maximum financial accountability. The programme ceiling is adjusted not only according to periodically revised income projections and resulting new programmable resources but also according to programme dynamics in various regions.

31. Moreover, it should be reiterated that UNFPA is further strengthening its capacity to monitor and control programme expenditures in order to manage resources against the uncertainties and fluctuations in contributions. This is being enhanced in part through the ongoing development and strengthening of the Fund's management information system (MIS) as reported to the Governing Council in document DP/1989/42 and in document DP/1990/51. This will, among other things, facilitate more timely and more up-to-date reviews of progress made in programme implementation against the plan, which will enable UNFPA to anticipate deviations and to take corrective actions more quickly and decisively. Furthermore, as mentioned earlier, the work plan is to be revised each year on a rolling plan basis to reflect the latest income estimates and to determine the level of programme expenditures in future years.

V. RECOMMENDATIONS

32. The Executive Director recommends that the Governing Council:

(a) Endorse the Executive Director's programme resource planning proposals set out in paragraphs 10 to 31;

(b) Approve the request for the new programme expenditure authority in the amount of $188.1 million for 1993;

(c) Endorse the use of the following estimates for new programmable resources for the 1994-1996 period: $207.4 million for 1994; $225 million for 1995; and $244.4 million for 1996.

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